

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost as % Total Cost				% of Increm. SFAS 106 Costs		
% Chg. Labor Cost	Empl. Subj to FAS 106	Subj to FAS 106	Not Subj	Labor Supply Elast.	Price Elast. Demand	Reflected in GNP-PI	Other Macroecon. Effects	To be met by Other Sources
3%	24%	64%	78%	0	3	1.2%	18.6%	80.2%
3%	24%	64%	78%	0.1	3	3.2%	17.2%	79.6%
3%	24%	64%	78%	0.2	3	5.1%	15.9%	79.0%
3%	24%	64%	78%	0.3	3	6.9%	14.7%	78.5%
3%	24%	78%	50%	0	1.5	0.5%	9.8%	89.7%
3%	24%	78%	50%	0.1	1.5	2.5%	8.1%	89.4%
3%	24%	78%	50%	0.2	1.5	4.4%	6.5%	89.1%
3%	24%	78%	50%	0.3	1.5	6.1%	5.1%	88.8%
3%	24%	78%	50%	0	3	0.9%	6.5%	92.7%
3%	24%	78%	50%	0.1	3	3.4%	4.3%	92.3%
3%	24%	78%	50%	0.2	3	5.7%	2.3%	91.9%
3%	24%	78%	50%	0.3	3	7.9%	0.5%	91.6%
3%	24%	78%	64%	0	1.5	0.7%	9.5%	89.8%
3%	24%	78%	64%	0.1	1.5	3.0%	7.8%	89.2%
3%	24%	78%	64%	0.2	1.5	5.3%	6.1%	88.6%
3%	24%	78%	64%	0.3	1.5	7.4%	4.6%	88.0%
3%	24%	78%	64%	0	3	1.2%	5.3%	93.5%
3%	24%	78%	64%	0.1	3	3.9%	3.3%	92.8%
3%	24%	78%	64%	0.2	3	6.4%	1.4%	92.2%
3%	24%	78%	64%	0.3	3	8.8%	-0.3%	91.5%
3%	24%	78%	78%	0	1.5	0.8%	10.8%	88.4%
3%	24%	78%	78%	0.1	1.5	3.5%	9.0%	87.5%
3%	24%	78%	78%	0.2	1.5	6.0%	7.3%	86.7%
3%	24%	78%	78%	0.3	1.5	8.5%	5.7%	85.8%
3%	24%	78%	78%	0	3	1.5%	10.3%	88.2%
3%	24%	78%	78%	0.1	3	4.1%	8.6%	87.3%
3%	24%	78%	78%	0.2	3	6.6%	6.9%	86.4%
3%	24%	78%	78%	0.3	3	9.0%	5.3%	85.6%
3%	32%	50%	50%	0	1.5	0.5%	14.6%	84.9%
3%	32%	50%	50%	0.1	1.5	2.7%	12.6%	84.7%
3%	32%	50%	50%	0.2	1.5	4.7%	10.8%	84.5%
3%	32%	50%	50%	0.3	1.5	6.5%	9.2%	84.3%
3%	32%	50%	50%	0	3	0.8%	14.3%	84.9%
3%	32%	50%	50%	0.1	3	3.0%	12.3%	84.6%
3%	32%	50%	50%	0.2	3	5.0%	10.6%	84.4%
3%	32%	50%	50%	0.3	3	6.8%	8.9%	84.2%
3%	32%	50%	64%	0	1.5	0.6%	15.5%	83.9%
3%	32%	50%	64%	0.1	1.5	3.1%	13.5%	83.4%
3%	32%	50%	64%	0.2	1.5	5.4%	11.6%	83.0%
3%	32%	50%	64%	0.3	1.5	7.5%	9.9%	82.6%
3%	32%	50%	64%	0	3	1.0%	17.8%	81.3%
3%	32%	50%	64%	0.1	3	3.1%	16.0%	80.9%
3%	32%	50%	64%	0.2	3	5.1%	14.5%	80.5%
3%	32%	50%	64%	0.3	3	6.9%	13.0%	80.1%
3%	32%	50%	78%	0	1.5	0.7%	17.5%	81.9%
3%	32%	50%	78%	0.1	1.5	3.4%	15.4%	81.2%
3%	32%	50%	78%	0.2	1.5	5.9%	13.5%	80.6%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost as % Total Cost				% of Increm. SFAS 106 Costs		
% Chg. Labor Cost	Empl. Subj to FAS 106	Subj to FAS 106	Not Subj	Labor Supply Elast.	Price Elast Demand	Reflected in GNP-PI	Other Macroecon. Effects	To be met by Other Sources
3%	32%	50%	78%	0.3	1.5	8.3%	11.7%	80.0%
3%	32%	50%	78%	0	3	1.0%	24.6%	74.4%
3%	32%	50%	78%	0.1	3	3.0%	23.0%	74.0%
3%	32%	50%	78%	0.2	3	4.9%	21.5%	73.6%
3%	32%	50%	78%	0.3	3	6.7%	20.1%	73.2%
3%	32%	64%	50%	0	1.5	0.6%	14.0%	85.5%
3%	32%	64%	50%	0.1	1.5	3.1%	11.8%	85.1%
3%	32%	64%	50%	0.2	1.5	5.4%	9.9%	84.8%
3%	32%	64%	50%	0.3	1.5	7.5%	8.1%	84.4%
3%	32%	64%	50%	0	3	1.0%	11.8%	87.2%
3%	32%	64%	50%	0.1	3	3.8%	9.4%	86.8%
3%	32%	64%	50%	0.2	3	6.4%	7.2%	86.4%
3%	32%	64%	50%	0.3	3	8.7%	5.2%	86.1%
3%	32%	64%	64%	0	1.5	0.7%	14.5%	84.8%
3%	32%	64%	64%	0.1	1.5	3.6%	12.4%	84.1%
3%	32%	64%	64%	0.2	1.5	6.2%	10.4%	83.4%
3%	32%	64%	64%	0.3	1.5	8.8%	8.5%	82.8%
3%	32%	64%	64%	0	3	1.3%	14.1%	84.6%
3%	32%	64%	64%	0.1	3	4.1%	12.0%	83.9%
3%	32%	64%	64%	0.2	3	6.7%	10.0%	83.3%
3%	32%	64%	64%	0.3	3	9.2%	8.1%	82.7%
3%	32%	64%	78%	0	1.5	0.8%	16.8%	82.4%
3%	32%	64%	78%	0.1	1.5	4.0%	14.6%	81.4%
3%	32%	64%	78%	0.2	1.5	6.9%	12.6%	80.5%
3%	32%	64%	78%	0.3	1.5	9.8%	10.6%	79.6%
3%	32%	64%	78%	0	3	1.4%	23.0%	75.6%
3%	32%	64%	78%	0.1	3	4.1%	21.1%	74.8%
3%	32%	64%	78%	0.2	3	6.6%	19.3%	74.1%
3%	32%	64%	78%	0.3	3	9.0%	17.6%	73.4%
3%	32%	78%	50%	0	1.5	0.6%	13.0%	86.3%
3%	32%	78%	50%	0.1	1.5	3.4%	10.8%	85.9%
3%	32%	78%	50%	0.2	1.5	5.9%	8.7%	85.4%
3%	32%	78%	50%	0.3	1.5	8.3%	6.7%	85.0%
3%	32%	78%	50%	0	3	1.0%	8.6%	90.3%
3%	32%	78%	50%	0.1	3	4.4%	5.8%	89.8%
3%	32%	78%	50%	0.2	3	7.6%	3.2%	89.3%
3%	32%	78%	50%	0.3	3	10.5%	0.7%	88.8%
3%	32%	78%	64%	0	1.5	0.8%	12.8%	86.4%
3%	32%	78%	64%	0.1	1.5	4.0%	10.5%	85.5%
3%	32%	78%	64%	0.2	1.5	7.0%	8.3%	84.7%
3%	32%	78%	64%	0.3	1.5	9.9%	6.2%	83.9%
3%	32%	78%	64%	0	3	1.4%	7.5%	91.1%
3%	32%	78%	64%	0.1	3	5.0%	4.8%	90.1%
3%	32%	78%	64%	0.2	3	8.4%	2.3%	89.2%
3%	32%	78%	64%	0.3	3	11.6%	-0.0%	88.4%
3%	32%	78%	78%	0	1.5	0.9%	14.4%	84.6%
3%	32%	78%	78%	0.1	1.5	4.5%	12.1%	83.4%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost				% of Increm. SFAS 106 Costs		
% Chg.	% Empl.	as % Total Cost						
Labor Cost	Subj to FAS 106	Subj to FAS 106	Not Subj	Labor Supply Elast	Price Elast Demand	Reflected in GNP-PI	Other Macroecon. Effects	To be met by Other Sources
3%	32%	78%	78%	0.2	1.5	7.9%	9.8%	82.3%
3%	32%	78%	78%	0.3	1.5	11.2%	7.7%	81.2%
3%	32%	78%	78%	0	3	1.8%	13.9%	84.3%
3%	32%	78%	78%	0.1	3	5.3%	11.6%	83.1%
3%	32%	78%	78%	0.2	3	8.7%	9.3%	82.0%
3%	32%	78%	78%	0.3	3	11.9%	7.2%	80.9%
3%	40%	50%	50%	0	1.5	0.5%	18.3%	81.2%
3%	40%	50%	50%	0.1	1.5	3.3%	15.8%	80.9%
3%	40%	50%	50%	0.2	1.5	5.8%	13.6%	80.6%
3%	40%	50%	50%	0.3	1.5	8.1%	11.5%	80.4%
3%	40%	50%	50%	0	3	0.9%	17.9%	81.1%
3%	40%	50%	50%	0.1	3	3.7%	15.5%	80.8%
3%	40%	50%	50%	0.2	3	6.1%	13.3%	80.6%
3%	40%	50%	50%	0.3	3	8.4%	11.3%	80.3%
3%	40%	50%	64%	0	1.5	0.6%	19.2%	80.2%
3%	40%	50%	64%	0.1	1.5	3.7%	16.7%	79.6%
3%	40%	50%	64%	0.2	1.5	6.5%	14.4%	79.1%
3%	40%	50%	64%	0.3	1.5	9.2%	12.2%	78.6%
3%	40%	50%	64%	0	3	1.1%	21.4%	77.5%
3%	40%	50%	64%	0.1	3	3.7%	19.3%	77.0%
3%	40%	50%	64%	0.2	3	6.2%	17.2%	76.6%
3%	40%	50%	64%	0.3	3	8.5%	15.4%	76.2%
3%	40%	50%	78%	0	1.5	0.7%	21.0%	78.3%
3%	40%	50%	78%	0.1	1.5	4.0%	18.4%	77.6%
3%	40%	50%	78%	0.2	1.5	7.1%	16.1%	76.8%
3%	40%	50%	78%	0.3	1.5	10.0%	13.9%	76.2%
3%	40%	50%	78%	0	3	1.1%	27.6%	71.3%
3%	40%	50%	78%	0.1	3	3.6%	25.6%	70.8%
3%	40%	50%	78%	0.2	3	6.0%	23.7%	70.3%
3%	40%	50%	78%	0.3	3	8.3%	21.9%	69.9%
3%	40%	64%	50%	0	1.5	0.6%	17.5%	81.9%
3%	40%	64%	50%	0.1	1.5	3.8%	14.9%	81.3%
3%	40%	64%	50%	0.2	1.5	6.7%	12.4%	80.9%
3%	40%	64%	50%	0.3	1.5	9.4%	10.2%	80.4%
3%	40%	64%	50%	0	3	1.1%	15.0%	83.9%
3%	40%	64%	50%	0.1	3	4.6%	12.0%	83.4%
3%	40%	64%	50%	0.2	3	7.9%	9.3%	82.9%
3%	40%	64%	50%	0.3	3	10.8%	6.8%	82.4%
3%	40%	64%	64%	0	1.5	0.8%	18.2%	81.0%
3%	40%	64%	64%	0.1	1.5	4.4%	15.5%	80.1%
3%	40%	64%	64%	0.2	1.5	7.7%	13.0%	79.3%
3%	40%	64%	64%	0.3	1.5	10.9%	10.6%	78.5%
3%	40%	64%	64%	0	3	1.4%	17.7%	80.9%
3%	40%	64%	64%	0.1	3	4.9%	15.1%	80.0%
3%	40%	64%	64%	0.2	3	8.3%	12.6%	79.2%
3%	40%	64%	64%	0.3	3	11.4%	10.2%	78.4%
3%	40%	64%	78%	0	1.5	0.9%	20.6%	78.6%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost as % Total Cost				% of Increm. SFAS 106 Costs		
% Chg. Labor Cost	Empl. Subj to FAS 106	Subj to FAS 106	Not Subj	Labor Supply Elast.	Price Elast. Demand	Reflected in GNP-PI	Other Macroecon. Effects	To be met by Other Sources
3%	40%	64%	78%	0.1	1.5	4.8%	17.8%	77.4%
3%	40%	64%	78%	0.2	1.5	8.5%	15.2%	76.3%
3%	40%	64%	78%	0.3	1.5	12.0%	12.8%	75.3%
3%	40%	64%	78%	0	3	1.6%	26.8%	71.6%
3%	40%	64%	78%	0.1	3	4.9%	24.4%	70.6%
3%	40%	64%	78%	0.2	3	8.1%	22.1%	69.7%
3%	40%	64%	78%	0.3	3	11.2%	20.0%	68.9%
3%	40%	78%	50%	0	1.5	0.7%	16.3%	83.0%
3%	40%	78%	50%	0.1	1.5	4.2%	13.5%	82.3%
3%	40%	78%	50%	0.2	1.5	7.5%	10.8%	81.7%
3%	40%	78%	50%	0.3	1.5	10.6%	8.3%	81.1%
3%	40%	78%	50%	0	3	1.1%	10.9%	88.0%
3%	40%	78%	50%	0.1	3	5.4%	7.4%	87.3%
3%	40%	78%	50%	0.2	3	9.3%	4.1%	86.6%
3%	40%	78%	50%	0.3	3	13.0%	1.0%	86.0%
3%	40%	78%	64%	0	1.5	0.9%	16.2%	83.0%
3%	40%	78%	64%	0.1	1.5	4.9%	13.2%	81.8%
3%	40%	78%	64%	0.2	1.5	8.8%	10.5%	80.7%
3%	40%	78%	64%	0.3	1.5	12.4%	7.9%	79.7%
3%	40%	78%	64%	0	3	1.6%	9.9%	88.5%
3%	40%	78%	64%	0.1	3	6.1%	6.7%	87.3%
3%	40%	78%	64%	0.2	3	10.3%	3.6%	86.1%
3%	40%	78%	64%	0.3	3	14.3%	0.6%	85.0%
3%	40%	78%	78%	0	1.5	1.0%	18.1%	80.9%
3%	40%	78%	78%	0.1	1.5	5.5%	15.2%	79.3%
3%	40%	78%	78%	0.2	1.5	9.8%	12.3%	77.9%
3%	40%	78%	78%	0.3	1.5	13.8%	9.6%	76.5%
3%	40%	78%	78%	0	3	2.0%	17.5%	80.5%
3%	40%	78%	78%	0.1	3	6.4%	14.6%	79.0%
3%	40%	78%	78%	0.2	3	10.6%	11.8%	77.6%
3%	40%	78%	78%	0.3	3	14.6%	9.1%	76.3%
4.5%	24%	50%	50%	0	1.5	0.9%	16.1%	83.1%
4.5%	24%	50%	50%	0.1	1.5	3.3%	13.9%	82.8%
4.5%	24%	50%	50%	0.2	1.5	5.6%	11.9%	82.6%
4.5%	24%	50%	50%	0.3	1.5	7.6%	10.1%	82.3%
4.5%	24%	50%	50%	0	3	1.5%	15.5%	83.0%
4.5%	24%	50%	50%	0.1	3	3.9%	13.3%	82.7%
4.5%	24%	50%	50%	0.2	3	6.1%	11.4%	82.5%
4.5%	24%	50%	50%	0.3	3	8.1%	9.6%	82.3%
4.5%	24%	50%	64%	0	1.5	1.1%	17.2%	81.7%
4.5%	24%	50%	64%	0.1	1.5	3.9%	15.0%	81.1%
4.5%	24%	50%	64%	0.2	1.5	6.5%	12.9%	80.5%
4.5%	24%	50%	64%	0.3	1.5	8.9%	11.0%	80.0%
4.5%	24%	50%	64%	0	3	1.8%	20.2%	78.0%
4.5%	24%	50%	64%	0.1	3	4.1%	18.3%	77.5%
4.5%	24%	50%	64%	0.2	3	6.3%	16.6%	77.1%
4.5%	24%	50%	64%	0.3	3	8.3%	15.0%	76.7%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost				% of Increm. SFAS 106 Costs		
% Chg.	Empl.	as % Total Cost						
Labor Subj to Cost	FAS 106	Subj to FAS 106	Not Subj	Labor Supply Elast	Price Elast Demand	Reflected in GNP-PI	Other Macroecon. Effects	To be met by Other Sources
4.5%	24%	50%	78%	0	1.5	1.2%	20.3%	78.5%
4.5%	24%	50%	78%	0.1	1.5	4.3%	18.0%	77.7%
4.5%	24%	50%	78%	0.2	1.5	7.2%	15.8%	76.9%
4.5%	24%	50%	78%	0.3	1.5	10.0%	13.8%	76.2%
4.5%	24%	50%	78%	0	3	1.9%	30.7%	67.4%
4.5%	24%	50%	78%	0.1	3	4.1%	29.1%	66.9%
4.5%	24%	50%	78%	0.2	3	6.1%	27.5%	66.4%
4.5%	24%	50%	78%	0.3	3	8.0%	26.0%	66.0%
4.5%	24%	64%	50%	0	1.5	1.0%	15.3%	83.7%
4.5%	24%	64%	50%	0.1	1.5	3.8%	12.9%	83.3%
4.5%	24%	64%	50%	0.2	1.5	6.3%	10.8%	83.0%
4.5%	24%	64%	50%	0.3	1.5	8.6%	8.8%	82.6%
4.5%	24%	64%	50%	0	3	1.8%	12.6%	85.6%
4.5%	24%	64%	50%	0.1	3	4.9%	9.9%	85.2%
4.5%	24%	64%	50%	0.2	3	7.7%	7.5%	84.8%
4.5%	24%	64%	50%	0.3	3	10.3%	5.2%	84.4%
4.5%	24%	64%	64%	0	1.5	1.3%	15.9%	82.8%
4.5%	24%	64%	64%	0.1	1.5	4.5%	13.5%	82.0%
4.5%	24%	64%	64%	0.2	1.5	7.4%	11.3%	81.3%
4.5%	24%	64%	64%	0.3	1.5	10.2%	9.2%	80.6%
4.5%	24%	64%	64%	0	3	2.3%	15.1%	82.6%
4.5%	24%	64%	64%	0.1	3	5.4%	12.8%	81.8%
4.5%	24%	64%	64%	0.2	3	8.4%	10.6%	81.1%
4.5%	24%	64%	64%	0.3	3	11.1%	8.5%	80.4%
4.5%	24%	64%	78%	0	1.5	1.5%	19.0%	79.5%
4.5%	24%	64%	78%	0.1	1.5	5.0%	16.6%	78.4%
4.5%	24%	64%	78%	0.2	1.5	8.4%	14.2%	77.4%
4.5%	24%	64%	78%	0.3	1.5	11.6%	12.0%	76.4%
4.5%	24%	64%	78%	0	3	2.6%	27.1%	70.2%
4.5%	24%	64%	78%	0.1	3	5.6%	25.1%	69.4%
4.5%	24%	64%	78%	0.2	3	8.3%	23.2%	68.5%
4.5%	24%	64%	78%	0.3	3	11.0%	21.3%	67.7%
4.5%	24%	78%	50%	0	1.5	1.1%	14.3%	84.6%
4.5%	24%	78%	50%	0.1	1.5	4.1%	11.8%	84.1%
4.5%	24%	78%	50%	0.2	1.5	6.9%	9.5%	83.6%
4.5%	24%	78%	50%	0.3	1.5	9.4%	7.3%	83.2%
4.5%	24%	78%	50%	0	3	2.0%	9.1%	88.9%
4.5%	24%	78%	50%	0.1	3	5.7%	5.9%	88.4%
4.5%	24%	78%	50%	0.2	3	9.1%	3.0%	87.9%
4.5%	24%	78%	50%	0.3	3	12.3%	0.3%	87.4%
4.5%	24%	78%	64%	0	1.5	1.4%	13.9%	84.7%
4.5%	24%	78%	64%	0.1	1.5	5.0%	11.3%	83.7%
4.5%	24%	78%	64%	0.2	1.5	8.3%	8.9%	82.9%
4.5%	24%	78%	64%	0.3	1.5	11.4%	6.6%	82.0%
4.5%	24%	78%	64%	0	3	2.6%	7.3%	90.0%
4.5%	24%	78%	64%	0.1	3	6.6%	4.4%	89.0%
4.5%	24%	78%	64%	0.2	3	10.3%	1.6%	88.0%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost				% of Increm. SFAS 106 Costs		
		as % Total Cost						
Chg.	Empl.	Subj to	Not	Labor	Price	Reflected	Other	To be met
Labor	Subj to	FAS 106	Subj	Supply	Elast.	in	Macroecon.	by Other
Cost	FAS 106	FAS 106	Subj	Elast.	Demand	GNP-PI	Effects	Sources
4.5%	24%	78%	64%	0.3	3	13.9%	-1.0%	87.1%
4.5%	24%	78%	78%	0	1.5	1.7%	15.8%	82.5%
4.5%	24%	78%	78%	0.1	1.5	5.7%	13.1%	81.2%
4.5%	24%	78%	78%	0.2	1.5	9.5%	10.6%	79.9%
4.5%	24%	78%	78%	0.3	1.5	13.1%	8.2%	78.7%
4.5%	24%	78%	78%	0	3	3.3%	14.7%	82.0%
4.5%	24%	78%	78%	0.1	3	7.1%	12.2%	80.7%
4.5%	24%	78%	78%	0.2	3	10.9%	9.7%	79.4%
4.5%	24%	78%	78%	0.3	3	14.4%	7.4%	78.2%
4.5%	32%	50%	50%	0	1.5	1.0%	21.5%	77.5%
4.5%	32%	50%	50%	0.1	1.5	4.3%	18.5%	77.1%
4.5%	32%	50%	50%	0.2	1.5	7.3%	15.9%	76.8%
4.5%	32%	50%	50%	0.3	1.5	10.0%	13.5%	76.5%
4.5%	32%	50%	50%	0	3	1.8%	20.8%	77.4%
4.5%	32%	50%	50%	0.1	3	5.0%	17.9%	77.1%
4.5%	32%	50%	50%	0.2	3	8.0%	15.3%	76.7%
4.5%	32%	50%	50%	0.3	3	10.7%	12.9%	76.4%
4.5%	32%	50%	64%	0	1.5	1.3%	22.7%	76.0%
4.5%	32%	50%	64%	0.1	1.5	5.0%	19.8%	75.2%
4.5%	32%	50%	64%	0.2	1.5	8.4%	17.0%	74.6%
4.5%	32%	50%	64%	0.3	1.5	11.6%	14.5%	73.9%
4.5%	32%	50%	64%	0	3	2.2%	25.9%	72.0%
4.5%	32%	50%	64%	0.1	3	5.3%	23.4%	71.4%
4.5%	32%	50%	64%	0.2	3	8.2%	21.0%	70.8%
4.5%	32%	50%	64%	0.3	3	10.8%	18.9%	70.3%
4.5%	32%	50%	78%	0	1.5	1.4%	25.7%	72.9%
4.5%	32%	50%	78%	0.1	1.5	5.4%	22.7%	71.9%
4.5%	32%	50%	78%	0.2	1.5	9.2%	19.8%	70.9%
4.5%	32%	50%	78%	0.3	1.5	12.8%	17.2%	70.1%
4.5%	32%	50%	78%	0	3	2.2%	36.0%	61.7%
4.5%	32%	50%	78%	0.1	3	5.2%	33.7%	61.1%
4.5%	32%	50%	78%	0.2	3	7.9%	31.5%	60.5%
4.5%	32%	50%	78%	0.3	3	10.6%	29.5%	60.0%
4.5%	32%	64%	50%	0	1.5	1.2%	20.5%	78.3%
4.5%	32%	64%	50%	0.1	1.5	4.9%	17.3%	77.7%
4.5%	32%	64%	50%	0.2	1.5	8.4%	14.4%	77.2%
4.5%	32%	64%	50%	0.3	1.5	11.5%	11.8%	76.7%
4.5%	32%	64%	50%	0	3	2.1%	17.0%	80.8%
4.5%	32%	64%	50%	0.1	3	6.3%	13.5%	80.2%
4.5%	32%	64%	50%	0.2	3	10.1%	10.3%	79.6%
4.5%	32%	64%	50%	0.3	3	13.6%	7.3%	79.1%
4.5%	32%	64%	64%	0	1.5	1.5%	21.3%	77.2%
4.5%	32%	64%	64%	0.1	1.5	5.8%	18.1%	76.1%
4.5%	32%	64%	64%	0.2	1.5	9.8%	15.1%	75.1%
4.5%	32%	64%	64%	0.3	1.5	13.5%	12.3%	74.2%
4.5%	32%	64%	64%	0	3	2.8%	20.3%	76.9%
4.5%	32%	64%	64%	0.1	3	7.0%	17.2%	75.8%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost				% of Increm. SFAS 106 Costs		
% Chg.	Empl.	as % Total Cost						
Labor Subj to	FAS 106	Subj to	Not	Labor	Price	Reflected	Other	To be met
Cost		FAS 106	Subj	Supply	Elast.	in	Macroecon.	by Other
				Elast.	Demand	GNP-PI	Effects	Sources
4.5%	32%	64%	64%	0.2	3	10.9%	14.3%	74.9%
4.5%	32%	64%	64%	0.3	3	14.5%	11.5%	73.9%
4.5%	32%	64%	78%	0	1.5	1.8%	24.7%	73.5%
4.5%	32%	64%	78%	0.1	1.5	6.4%	21.4%	72.1%
4.5%	32%	64%	78%	0.2	1.5	10.9%	18.4%	70.8%
4.5%	32%	64%	78%	0.3	1.5	15.1%	15.4%	69.5%
4.5%	32%	64%	78%	0	3	3.1%	33.6%	63.3%
4.5%	32%	64%	78%	0.1	3	7.1%	30.8%	62.2%
4.5%	32%	64%	78%	0.2	3	10.8%	28.1%	61.1%
4.5%	32%	64%	78%	0.3	3	14.4%	25.6%	60.0%
4.5%	32%	78%	50%	0	1.5	1.4%	19.1%	79.6%
4.5%	32%	78%	50%	0.1	1.5	5.5%	15.7%	78.8%
4.5%	32%	78%	50%	0.2	1.5	9.3%	12.6%	78.2%
4.5%	32%	78%	50%	0.3	1.5	12.8%	9.7%	77.5%
4.5%	32%	78%	50%	0	3	2.3%	12.2%	85.5%
4.5%	32%	78%	50%	0.1	3	7.3%	8.0%	84.7%
4.5%	32%	78%	50%	0.2	3	11.9%	4.2%	83.9%
4.5%	32%	78%	50%	0.3	3	16.2%	0.5%	83.2%
4.5%	32%	78%	64%	0	1.5	1.7%	18.7%	79.6%
4.5%	32%	78%	64%	0.1	1.5	6.5%	15.2%	78.3%
4.5%	32%	78%	64%	0.2	1.5	11.0%	12.0%	77.0%
4.5%	32%	78%	64%	0.3	1.5	15.2%	8.9%	75.9%
4.5%	32%	78%	64%	0	3	3.1%	10.4%	86.4%
4.5%	32%	78%	64%	0.1	3	8.5%	6.5%	85.0%
4.5%	32%	78%	64%	0.2	3	13.5%	2.9%	83.7%
4.5%	32%	78%	64%	0.3	3	18.2%	-0.6%	82.4%
4.5%	32%	78%	78%	0	1.5	2.1%	21.1%	76.8%
4.5%	32%	78%	78%	0.1	1.5	7.4%	17.6%	75.0%
4.5%	32%	78%	78%	0.2	1.5	12.4%	14.3%	73.3%
4.5%	32%	78%	78%	0.3	1.5	17.3%	11.0%	71.7%
4.5%	32%	78%	78%	0	3	3.9%	19.9%	76.2%
4.5%	32%	78%	78%	0.1	3	9.1%	16.4%	74.4%
4.5%	32%	78%	78%	0.2	3	14.1%	13.2%	72.8%
4.5%	32%	78%	78%	0.3	3	18.8%	10.0%	71.2%
4.5%	40%	50%	50%	0	1.5	1.2%	26.9%	72.0%
4.5%	40%	50%	50%	0.1	1.5	5.3%	23.2%	71.5%
4.5%	40%	50%	50%	0.2	1.5	9.0%	19.9%	71.1%
4.5%	40%	50%	50%	0.3	1.5	12.4%	16.9%	70.7%
4.5%	40%	50%	50%	0	3	2.0%	26.1%	71.9%
4.5%	40%	50%	50%	0.1	3	6.1%	22.5%	71.4%
4.5%	40%	50%	50%	0.2	3	9.7%	19.3%	71.0%
4.5%	40%	50%	50%	0.3	3	13.1%	16.3%	70.6%
4.5%	40%	50%	64%	0	1.5	1.4%	28.2%	70.4%
4.5%	40%	50%	64%	0.1	1.5	5.9%	24.5%	69.6%
4.5%	40%	50%	64%	0.2	1.5	10.2%	21.1%	68.8%
4.5%	40%	50%	64%	0.3	1.5	14.1%	17.9%	68.0%
4.5%	40%	50%	64%	0	3	2.4%	31.3%	66.3%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost				% of Increm. SFAS 106 Costs		
% Chg.	Empl.	as % Total Cost						
Labor Subj to Cost	Subj to FAS 106	Subj to FAS 106	Not Subj	Labor Supply Elast.	Price Elast. Demand	Reflected in GNP-PI	Other Macroecon. Effects	To be met by Other Sources
4.5%	40%	50%	64%	0.1	3	6.3%	28.1%	65.6%
4.5%	40%	50%	64%	0.2	3	9.9%	25.1%	65.0%
4.5%	40%	50%	64%	0.3	3	13.3%	22.4%	64.3%
4.5%	40%	50%	78%	0	1.5	1.6%	30.8%	67.6%
4.5%	40%	50%	78%	0.1	1.5	6.4%	27.1%	66.5%
4.5%	40%	50%	78%	0.2	1.5	11.0%	23.6%	65.4%
4.5%	40%	50%	78%	0.3	1.5	15.3%	20.3%	64.4%
4.5%	40%	50%	78%	0	3	2.5%	40.5%	57.0%
4.5%	40%	50%	78%	0.1	3	6.2%	37.5%	56.3%
4.5%	40%	50%	78%	0.2	3	9.7%	34.7%	55.6%
4.5%	40%	50%	78%	0.3	3	13.0%	32.1%	55.0%
4.5%	40%	64%	50%	0	1.5	1.4%	25.7%	72.9%
4.5%	40%	64%	50%	0.1	1.5	6.1%	21.8%	72.2%
4.5%	40%	64%	50%	0.2	1.5	10.4%	18.1%	71.4%
4.5%	40%	64%	50%	0.3	1.5	14.4%	14.8%	70.8%
4.5%	40%	64%	50%	0	3	2.4%	21.6%	76.0%
4.5%	40%	64%	50%	0.1	3	7.6%	17.3%	75.1%
4.5%	40%	64%	50%	0.2	3	12.4%	13.2%	74.4%
4.5%	40%	64%	50%	0.3	3	16.8%	9.5%	73.6%
4.5%	40%	64%	64%	0	1.5	1.7%	26.7%	71.6%
4.5%	40%	64%	64%	0.1	1.5	7.0%	22.7%	70.3%
4.5%	40%	64%	64%	0.2	1.5	12.0%	19.0%	69.0%
4.5%	40%	64%	64%	0.3	1.5	16.7%	15.5%	67.9%
4.5%	40%	64%	64%	0	3	3.1%	25.7%	71.3%
4.5%	40%	64%	64%	0.1	3	8.3%	21.7%	69.9%
4.5%	40%	64%	64%	0.2	3	13.2%	18.0%	68.7%
4.5%	40%	64%	64%	0.3	3	17.8%	14.6%	67.6%
4.5%	40%	64%	78%	0	1.5	1.9%	30.2%	67.9%
4.5%	40%	64%	78%	0.1	1.5	7.7%	26.1%	66.2%
4.5%	40%	64%	78%	0.2	1.5	13.2%	22.3%	64.5%
4.5%	40%	64%	78%	0.3	1.5	18.4%	18.6%	63.0%
4.5%	40%	64%	78%	0	3	3.5%	39.2%	57.4%
4.5%	40%	64%	78%	0.1	3	8.4%	35.6%	56.0%
4.5%	40%	64%	78%	0.2	3	13.1%	32.3%	54.6%
4.5%	40%	64%	78%	0.3	3	17.6%	29.1%	53.3%
4.5%	40%	78%	50%	0	1.5	1.5%	23.9%	74.6%
4.5%	40%	78%	50%	0.1	1.5	6.8%	19.7%	73.6%
4.5%	40%	78%	50%	0.2	1.5	11.7%	15.7%	72.6%
4.5%	40%	78%	50%	0.3	1.5	16.2%	12.1%	71.7%
4.5%	40%	78%	50%	0	3	2.5%	15.5%	82.0%
4.5%	40%	78%	50%	0.1	3	8.8%	10.3%	80.9%
4.5%	40%	78%	50%	0.2	3	14.7%	5.5%	79.9%
4.5%	40%	78%	50%	0.3	3	20.1%	0.9%	78.9%
4.5%	40%	78%	64%	0	1.5	1.9%	23.6%	74.4%
4.5%	40%	78%	64%	0.1	1.5	8.0%	19.3%	72.7%
4.5%	40%	78%	64%	0.2	1.5	13.7%	15.2%	71.1%
4.5%	40%	78%	64%	0.3	1.5	19.0%	11.4%	69.6%



(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost				% of Increm. SFAS 106 Costs		
% Chg.	Empl.	as % Total Cost		Labor	Price	Reflected	Other	To be met
Labor Cost	Subj to FAS 106	Subj to FAS 106	Not Subj	Supply Elast.	Elast Demand	in GNP-PI	Macroecon. Effects	by Other Sources
4.5%	40%	78%	64%	0	3	3.5%	14.0%	82.5%
4.5%	40%	78%	64%	0.1	3	10.1%	9.1%	80.7%
4.5%	40%	78%	64%	0.2	3	16.4%	4.6%	79.0%
4.5%	40%	78%	64%	0.3	3	22.4%	0.3%	77.4%
4.5%	40%	78%	78%	0	1.5	2.3%	26.5%	71.2%
4.5%	40%	78%	78%	0.1	1.5	8.9%	22.1%	69.0%
4.5%	40%	78%	78%	0.2	1.5	15.2%	17.9%	66.8%
4.5%	40%	78%	78%	0.3	1.5	21.3%	13.9%	64.7%
4.5%	40%	78%	78%	0	3	4.4%	25.1%	70.5%
4.5%	40%	78%	78%	0.1	3	10.9%	20.8%	68.3%
4.5%	40%	78%	78%	0.2	3	17.1%	16.7%	66.2%
4.5%	40%	78%	78%	0.3	3	23.1%	12.8%	64.2%

## EXHIBIT 2

## Inputs:

- (1) Percentage increase in Labor Cost in Sector of Economy Subject to SFAS 106
- (2) Share of Employment in Sector Subject to SFAS 106
- (3) Labor Cost as a Share of Total Cost in Sector Subject to SFAS 106
- (4) Labor Cost as a Share of Total Cost in Sector Not Subject to SFAS 106
- (5) Labor Supply Elasticity for U.S. Economy
- (6) Price Elasticity of Demand in each Sector

## Results:

Percentage of Telco's Additional SFAS 106 Costs -

- (A) Reflected in GNP-PI
- (B) Financed by Potential Reductions in National Average Wage Rate and Other Macroeconomic Effects
- (C) To be Met by Other Sources

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost				% of Increm. SFAS 106 Costs		
	%	as % Total Cost						
% Chg.	Empl.	-----	-----	Labor	Price	Reflected	Other	To be met
Labor	Subj to	Subj to	Not	Supply	Elast.	in	Macroecon.	by Other
Cost	FAS 106	FAS 106	Subj	Elast.	Demand	GNP-PI	Effects	Sources
-----	-----	-----	-----	-----	-----	-----	-----	-----
2%	24%	50%	70%	0	1.5	0.2%	8.4%	91.3%
2%	24%	50%	70%	0.1	1.5	1.6%	7.4%	91.0%
2%	24%	50%	70%	0.2	1.5	2.8%	6.5%	90.7%
2%	24%	50%	70%	0.3	1.5	4.0%	5.6%	90.4%
2%	24%	50%	70%	0	3	0.4%	11.2%	88.4%
2%	24%	50%	70%	0.1	3	1.4%	10.4%	88.2%
2%	24%	50%	70%	0.2	3	2.4%	9.7%	88.0%
2%	24%	50%	70%	0.3	3	3.3%	9.0%	87.8%
2%	24%	64%	64%	0	1.5	0.3%	7.4%	92.4%
2%	24%	64%	64%	0.1	1.5	1.7%	6.3%	92.0%
2%	24%	64%	64%	0.2	1.5	3.1%	5.3%	91.7%
2%	24%	64%	64%	0.3	1.5	4.3%	4.3%	91.4%
2%	24%	64%	64%	0	3	0.5%	7.2%	92.3%
2%	24%	64%	64%	0.1	3	1.9%	6.1%	92.0%
2%	24%	64%	64%	0.2	3	3.2%	5.1%	91.6%
2%	24%	64%	64%	0.3	3	4.5%	4.2%	91.3%
2%	24%	78%	61%	0	1.5	0.3%	6.5%	93.3%
2%	24%	78%	61%	0.1	1.5	1.8%	5.3%	92.9%
2%	24%	78%	61%	0.2	1.5	3.3%	4.2%	92.5%
2%	24%	78%	61%	0.3	1.5	4.6%	3.2%	92.2%
2%	24%	78%	61%	0	3	0.5%	3.7%	95.8%
2%	24%	78%	61%	0.1	3	2.3%	2.3%	95.4%
2%	24%	78%	61%	0.2	3	4.0%	1.0%	95.0%
2%	24%	78%	61%	0.3	3	5.6%	-0.2%	94.6%
2%	32%	50%	74%	0	1.5	0.3%	11.3%	88.4%
2%	32%	50%	74%	0.1	1.5	2.1%	9.9%	88.0%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost				% of Increm. SFAS 106 Costs		
		as % Total Cost						
% Chg. Labor Cost	Empl. Subj to FAS 106	Subj to FAS 106	Not Subj	Labor Supply Elast.	Price Elast Demand	Reflected in GNP-PI	Other Macroecon. Effects	To be met by Other Sources
2%	32%	50%	74%	0.2	1.5	3.7%	8.7%	87.6%
2%	32%	50%	74%	0.3	1.5	5.3%	7.5%	87.2%
2%	32%	50%	74%	0	3	0.5%	15.0%	84.5%
2%	32%	50%	74%	0.1	3	1.8%	14.0%	84.2%
2%	32%	50%	74%	0.2	3	3.1%	13.0%	83.9%
2%	32%	50%	74%	0.3	3	4.3%	12.0%	83.7%
2%	32%	64%	64%	0	1.5	0.3%	9.8%	89.8%
2%	32%	64%	64%	0.1	1.5	2.2%	8.4%	89.4%
2%	32%	64%	64%	0.2	1.5	4.0%	7.0%	88.9%
2%	32%	64%	64%	0.3	1.5	5.7%	5.8%	88.5%
2%	32%	64%	64%	0	3	0.6%	9.7%	89.8%
2%	32%	64%	64%	0.1	3	2.5%	8.2%	89.3%
2%	32%	64%	64%	0.2	3	4.3%	6.9%	88.9%
2%	32%	64%	64%	0.3	3	5.9%	5.6%	88.5%
2%	32%	78%	59%	0	1.5	0.3%	8.7%	91.0%
2%	32%	78%	59%	0.1	1.5	2.4%	7.1%	90.5%
2%	32%	78%	59%	0.2	1.5	4.3%	5.6%	90.1%
2%	32%	78%	59%	0.3	1.5	6.1%	4.3%	89.6%
2%	32%	78%	59%	0	3	0.6%	5.1%	94.3%
2%	32%	78%	59%	0.1	3	3.0%	3.3%	93.7%
2%	32%	78%	59%	0.2	3	5.2%	1.6%	93.2%
2%	32%	78%	59%	0.3	3	7.3%	-0.1%	92.7%
2%	40%	50%	79%	0	1.5	0.3%	14.2%	85.4%
2%	40%	50%	79%	0.1	1.5	2.5%	12.5%	84.9%
2%	40%	50%	79%	0.2	1.5	4.6%	10.9%	84.4%
2%	40%	50%	79%	0.3	1.5	6.6%	9.5%	84.0%
2%	40%	50%	79%	0	3	0.5%	18.9%	80.6%
2%	40%	50%	79%	0.1	3	2.2%	17.6%	80.2%
2%	40%	50%	79%	0.2	3	3.8%	16.3%	79.9%
2%	40%	50%	79%	0.3	3	5.3%	15.1%	79.6%
2%	40%	64%	64%	0	1.5	0.3%	12.3%	87.3%
2%	40%	64%	64%	0.1	1.5	2.8%	10.5%	86.7%
2%	40%	64%	64%	0.2	1.5	5.0%	8.8%	86.2%
2%	40%	64%	64%	0.3	1.5	7.1%	7.2%	85.7%
2%	40%	64%	64%	0	3	0.6%	12.1%	87.3%
2%	40%	64%	64%	0.1	3	3.0%	10.3%	86.7%
2%	40%	64%	64%	0.2	3	5.3%	8.6%	86.1%
2%	40%	64%	64%	0.3	3	7.4%	7.0%	85.6%
2%	40%	78%	57%	0	1.5	0.4%	10.9%	88.8%
2%	40%	78%	57%	0.1	1.5	2.9%	8.9%	88.1%
2%	40%	78%	57%	0.2	1.5	5.3%	7.1%	87.6%
2%	40%	78%	57%	0.3	1.5	7.6%	5.4%	87.0%
2%	40%	78%	57%	0	3	0.6%	6.8%	92.6%
2%	40%	78%	57%	0.1	3	3.6%	4.5%	92.0%
2%	40%	78%	57%	0.2	3	6.4%	2.3%	91.3%
2%	40%	78%	57%	0.3	3	9.0%	0.2%	90.8%
3%	24%	50%	70%	0	1.5	0.5%	12.5%	87.0%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost				% of Increm. SFAS 106 Costs		
	%	as % Total Cost						
% Chg.	Empl.	Subj to	Not	Labor	Price	Reflected	Other	To be met
Labor	Subj to	FAS 106	Subj	Supply	Elast.	in	Macroecon.	by Other
Cost	FAS 106	FAS 106	Subj	Elast.	Demand	GNP-PI	Effects	Sources
3%	24%	50%	70%	0.1	1.5	2.5%	11.0%	86.5%
3%	24%	50%	70%	0.2	1.5	4.4%	9.5%	86.1%
3%	24%	50%	70%	0.3	1.5	6.1%	8.2%	85.7%
3%	24%	50%	70%	0	3	0.9%	16.5%	82.6%
3%	24%	50%	70%	0.1	3	2.4%	15.3%	82.3%
3%	24%	50%	70%	0.2	3	3.8%	14.2%	82.0%
3%	24%	50%	70%	0.3	3	5.1%	13.2%	81.7%
3%	24%	64%	64%	0	1.5	0.6%	10.9%	88.5%
3%	24%	64%	64%	0.1	1.5	2.7%	9.3%	88.0%
3%	24%	64%	64%	0.2	1.5	4.7%	7.7%	87.5%
3%	24%	64%	64%	0.3	1.5	6.6%	6.3%	87.1%
3%	24%	64%	64%	0	3	1.1%	10.5%	88.4%
3%	24%	64%	64%	0.1	3	3.2%	8.9%	87.9%
3%	24%	64%	64%	0.2	3	5.2%	7.4%	87.4%
3%	24%	64%	64%	0.3	3	7.0%	6.0%	87.0%
3%	24%	78%	61%	0	1.5	0.6%	9.5%	89.9%
3%	24%	78%	61%	0.1	1.5	2.9%	7.8%	89.3%
3%	24%	78%	61%	0.2	1.5	5.1%	6.1%	88.8%
3%	24%	78%	61%	0.3	1.5	7.1%	4.6%	88.3%
3%	24%	78%	61%	0	3	1.1%	5.2%	93.7%
3%	24%	78%	61%	0.1	3	3.8%	3.2%	93.0%
3%	24%	78%	61%	0.2	3	6.3%	1.3%	92.4%
3%	24%	78%	61%	0.3	3	8.6%	-0.5%	91.9%
3%	32%	50%	74%	0	1.5	0.6%	16.7%	82.6%
3%	32%	50%	74%	0.1	1.5	3.3%	14.7%	82.0%
3%	32%	50%	74%	0.2	1.5	5.8%	12.8%	81.4%
3%	32%	50%	74%	0.3	1.5	8.1%	11.0%	80.9%
3%	32%	50%	74%	0	3	1.0%	22.2%	76.8%
3%	32%	50%	74%	0.1	3	3.0%	20.6%	76.4%
3%	32%	50%	74%	0.2	3	4.9%	19.1%	76.0%
3%	32%	50%	74%	0.3	3	6.7%	17.7%	75.6%
3%	32%	64%	64%	0	1.5	0.7%	14.5%	84.8%
3%	32%	64%	64%	0.1	1.5	3.6%	12.4%	84.1%
3%	32%	64%	64%	0.2	1.5	6.2%	10.4%	83.4%
3%	32%	64%	64%	0.3	1.5	8.8%	8.5%	82.8%
3%	32%	64%	64%	0	3	1.3%	14.1%	84.6%
3%	32%	64%	64%	0.1	3	4.1%	12.0%	83.9%
3%	32%	64%	64%	0.2	3	6.7%	10.0%	83.3%
3%	32%	64%	64%	0.3	3	9.2%	8.1%	82.7%
3%	32%	78%	59%	0	1.5	0.7%	12.8%	86.5%
3%	32%	78%	59%	0.1	1.5	3.8%	10.4%	85.8%
3%	32%	78%	59%	0.2	1.5	6.7%	8.3%	85.1%
3%	32%	78%	59%	0.3	1.5	9.3%	6.2%	84.4%
3%	32%	78%	59%	0	3	1.3%	7.4%	91.4%
3%	32%	78%	59%	0.1	3	4.8%	4.6%	90.5%
3%	32%	78%	59%	0.2	3	8.2%	2.1%	89.8%
3%	32%	78%	59%	0.3	3	11.3%	-0.3%	89.1%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost as % Total Cost				% of Increm. SFAS 106 Costs		
Chg. Labor Cost	Empl. Subj to FAS 106	Subj to FAS 106	Not Subj	Labor Supply Elast.	Price Elast. Demand	Reflected in GNP-PI	Other Macroecon. Effects	To be met by Other Sources
3%	40%	50%	79%	0	1.5	0.7%	21.1%	78.2%
3%	40%	50%	79%	0.1	1.5	4.0%	18.6%	77.4%
3%	40%	50%	79%	0.2	1.5	7.1%	16.2%	76.7%
3%	40%	50%	79%	0.3	1.5	10.0%	14.0%	76.0%
3%	40%	50%	79%	0	1	1.1%	28.0%	70.9%
3%	40%	50%	79%	0.1	1	3.6%	25.9%	70.4%
3%	40%	50%	79%	0.2	1	6.0%	24.0%	70.0%
3%	40%	50%	79%	0.3	1	8.3%	22.2%	69.5%
3%	40%	64%	64%	0	1.5	0.8%	18.2%	81.0%
3%	40%	64%	64%	0.1	1.5	4.4%	15.5%	80.1%
3%	40%	64%	64%	0.2	1.5	7.7%	13.0%	79.3%
3%	40%	64%	64%	0.3	1.5	10.9%	10.6%	78.5%
3%	40%	64%	64%	0	1	1.4%	17.7%	80.9%
3%	40%	64%	64%	0.1	1	4.9%	15.1%	80.0%
3%	40%	64%	64%	0.2	1	8.3%	12.6%	79.2%
3%	40%	64%	64%	0.3	1	11.4%	10.2%	78.4%
3%	40%	78%	57%	0	1.5	0.8%	16.1%	83.2%
3%	40%	78%	57%	0.1	1.5	4.6%	13.2%	82.2%
3%	40%	78%	57%	0.2	1.5	8.2%	10.5%	81.4%
3%	40%	78%	57%	0.3	1.5	11.5%	7.9%	80.5%
3%	40%	78%	57%	0	1	1.4%	9.7%	88.9%
3%	40%	78%	57%	0.1	1	5.8%	6.3%	87.9%
3%	40%	78%	57%	0.2	1	9.9%	3.1%	87.0%
3%	40%	78%	57%	0.3	1	13.8%	0.1%	86.1%
4.5%	24%	50%	70%	0	1.5	1.1%	18.3%	80.6%
4.5%	24%	50%	70%	0.1	1.5	4.1%	16.1%	79.8%
4.5%	24%	50%	70%	0.2	1.5	6.9%	14.0%	79.2%
4.5%	24%	50%	70%	0.3	1.5	9.4%	12.0%	78.6%
4.5%	24%	50%	70%	0	1	1.9%	24.1%	74.0%
4.5%	24%	50%	70%	0.1	1	4.1%	22.4%	73.5%
4.5%	24%	50%	70%	0.2	1	6.2%	20.8%	73.0%
4.5%	24%	50%	70%	0.3	1	8.2%	19.2%	72.6%
4.5%	24%	64%	64%	0	1.5	1.3%	15.9%	82.8%
4.5%	24%	64%	64%	0.1	1.5	4.5%	13.5%	82.0%
4.5%	24%	64%	64%	0.2	1.5	7.4%	11.3%	81.3%
4.5%	24%	64%	64%	0.3	1.5	10.2%	9.2%	80.6%
4.5%	24%	64%	64%	0	1	2.3%	15.1%	82.6%
4.5%	24%	64%	64%	0.1	1	5.4%	12.8%	81.8%
4.5%	24%	64%	64%	0.2	1	8.4%	10.6%	81.1%
4.5%	24%	64%	64%	0.3	1	11.1%	8.5%	80.4%
4.5%	24%	78%	61%	0	1.5	1.4%	13.8%	84.8%
4.5%	24%	78%	61%	0.1	1.5	4.8%	11.3%	84.0%
4.5%	24%	78%	61%	0.2	1.5	8.0%	8.9%	83.2%
4.5%	24%	78%	61%	0.3	1.5	11.0%	6.6%	82.4%
4.5%	24%	78%	61%	0	1	2.5%	7.2%	90.3%
4.5%	24%	78%	61%	0.1	1	6.4%	4.2%	89.4%
4.5%	24%	78%	61%	0.2	1	10.1%	1.4%	88.5%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost				% of Increm. SFAS 106 Costs		
% Chg.	Empl.	as % Total Cost		Labor	Price	Reflected	Other	To be met
Labor	Subj to	Subj to	Not	Supply	Elast	in	Macroecon.	by Other
Cost	FAS 106	FAS 106	Subj	Elast	Demand	GNP-PI	Effects	Sources
4.5%	24%	78%	61%	0.3	3	13.6%	-1.2%	87.7%
4.5%	32%	50%	74%	0	1.5	1.4%	24.6%	74.0%
4.5%	32%	50%	74%	0.1	1.5	5.3%	21.6%	73.1%
4.5%	32%	50%	74%	0.2	1.5	9.0%	18.8%	72.2%
4.5%	32%	50%	74%	0.3	1.5	12.4%	16.2%	71.4%
4.5%	32%	50%	74%	0	3	2.2%	32.5%	65.3%
4.5%	32%	50%	74%	0.1	3	5.2%	30.1%	64.6%
4.5%	32%	50%	74%	0.2	3	8.0%	27.9%	64.1%
4.5%	32%	50%	74%	0.3	3	10.6%	25.9%	63.5%
4.5%	32%	64%	64%	0	1.5	1.5%	21.3%	77.2%
4.5%	32%	64%	64%	0.1	1.5	5.8%	18.1%	76.1%
4.5%	32%	64%	64%	0.2	1.5	9.8%	15.1%	75.1%
4.5%	32%	64%	64%	0.3	1.5	13.5%	12.3%	74.2%
4.5%	32%	64%	64%	0	3	2.8%	20.3%	76.9%
4.5%	32%	64%	64%	0.1	3	7.0%	17.2%	75.8%
4.5%	32%	64%	64%	0.2	3	10.9%	14.3%	74.9%
4.5%	32%	64%	64%	0.3	3	14.5%	11.5%	73.9%
4.5%	32%	78%	59%	0	1.5	1.6%	18.6%	79.8%
4.5%	32%	78%	59%	0.1	1.5	6.2%	15.2%	78.7%
4.5%	32%	78%	59%	0.2	1.5	10.4%	12.0%	77.6%
4.5%	32%	78%	59%	0.3	1.5	14.4%	9.0%	76.6%
4.5%	32%	78%	59%	0	3	2.8%	10.3%	86.9%
4.5%	32%	78%	59%	0.1	3	8.1%	6.3%	85.6%
4.5%	32%	78%	59%	0.2	3	13.0%	2.5%	84.5%
4.5%	32%	78%	59%	0.3	3	17.6%	-1.1%	83.4%
4.5%	40%	50%	79%	0	1.5	1.6%	31.0%	67.4%
4.5%	40%	50%	79%	0.1	1.5	6.5%	27.3%	66.3%
4.5%	40%	50%	79%	0.2	1.5	11.0%	23.8%	65.2%
4.5%	40%	50%	79%	0.3	1.5	15.3%	20.5%	64.2%
4.5%	40%	50%	79%	0	3	2.5%	41.0%	56.5%
4.5%	40%	50%	79%	0.1	3	6.2%	38.0%	55.8%
4.5%	40%	50%	79%	0.2	3	9.7%	35.2%	55.1%
4.5%	40%	50%	79%	0.3	3	13.0%	32.6%	54.4%
4.5%	40%	64%	64%	0	1.5	1.7%	26.7%	71.6%
4.5%	40%	64%	64%	0.1	1.5	7.0%	22.7%	70.3%
4.5%	40%	64%	64%	0.2	1.5	12.0%	19.0%	69.0%
4.5%	40%	64%	64%	0.3	1.5	16.7%	15.5%	67.9%
4.5%	40%	64%	64%	0	3	3.1%	25.7%	71.3%
4.5%	40%	64%	64%	0.1	3	8.3%	21.7%	69.9%
4.5%	40%	64%	64%	0.2	3	13.2%	18.0%	68.7%
4.5%	40%	64%	64%	0.3	3	17.8%	14.6%	67.6%
4.5%	40%	78%	57%	0	1.5	1.7%	23.5%	74.8%
4.5%	40%	78%	57%	0.1	1.5	7.4%	19.2%	73.4%
4.5%	40%	78%	57%	0.2	1.5	12.7%	15.2%	72.1%
4.5%	40%	78%	57%	0.3	1.5	17.7%	11.4%	70.8%
4.5%	40%	78%	57%	0	3	3.0%	13.7%	83.3%
4.5%	40%	78%	57%	0.1	3	9.5%	8.7%	81.8%
4.5%	40%	78%	57%	0.2	3	15.7%	3.9%	80.4%
4.5%	40%	78%	57%	0.3	3	21.5%	-0.5%	79.0%

## **Appendix H.2**

**TOTAL NYNEX SFAS-112 BENEFITS MATRIX  
1993 IMPLEMENTATION**

Please note that these estimates do not include any severance accruals and are based on the current work force levels.

<b>Benefit Type</b>	<b>1992 Costs</b>	<b>Valuation Method</b>	<b>Projected SFAS 112 Costs</b>	<b>Incremental Costs</b>
ST Disability - Medical	(1A)	Avg. Cost X # Employees X Avg. Time Out	10,025,094 (1B)	417,653 (1C)
ST Disability - Salary	44,912,925	Avg. Salary X # Employees X Avg. Time Remain	48,042,152 (2A)	2,001,470 (2B)
LT Disability - Medical	2,770,876	Avg. Cost X # Employees X Avg Time Remain	22,166,112	19,395,236 (3)
LT Disability - Salary	2,933,853	Avg. Salary X # Employees X Avg. Time Remain	19,227,261	16,293,408 (4)
Workers Compensation	27,990,761	Based on Claims And Actuarial	148,280,985	120,290,224 (5)
Disability Pensions	9,070,958	Actuarial/ SFAS 87	39,868,100 (6)	30,797,142
Group Life	N/A	N/A	0 (7)	0
Accidental Dismemberment	N/A	N/A	0 (8)	0
<b>Total</b>	<b>\$87,679,373</b>		<b>\$287,609,704</b>	<b>\$189,195,133</b> *

\* This represents the liability that would be recorded upon implementation and shown as a change in accounting principle.



SFAS 112 BENEFITS EXPLANATIONS

Total NYNEX - 1993

(1A) Unable to specifically identify. Carrier does not track medical payments for employees on Short-term disability separately since they are still considered to be active employees.

(1B) Calculated as Follows:

\$4,302 Avg Cost Per NYNEX Employee X 13,982 annual avg employees on ST Disability X 2 mos./12mos.

Avg. Time Out = \$10,025,094 Total Cost Per Year for NYNEX

The source of Avg. Medical Cost was provided by the NYNEX Benefits Dept. and the actual # of employees was provided by NAPPS.

(1C) Calculated as Follows:

\$358.50 (\$4,302/12) monthly medical cost\* X 1,165 (13,982/12) # of employees on ST disability at any time = \$417,653

\*Only one month accrual is needed for SFAS 112, since one month is already accrued for.

(2A) Calculated as Follows:

13,982 avg. employees on ST disability x \$3,436 avg. salary cost for a NYNEX employee on ST Disability = \$48,042,152

Total Cost Per Year for NYNEX

(2B) Calculated as Follows:

\$1,718 (\$3,436/2 mo.) X 1,165 (13,982/12mos) # of employees are ST disability at any point in time = \$2,001,470

Avg. 1992 Salary Cost:

Total 1992 Cost/Number of Employees on ST disability in 1992

\$44,912,926/13,071 (These actual amounts were provided by NAAPS)

Avg Salary Cost During Disability Period = \$3,436

(3) Calculated as Follows:

Avg. Medical Cost Per Employee on LTD X # Employees on LTD X Avg. Time Remaining

\$7,783 X 356 X 7 years = \$19,395,236

The avg. medical cost per employee, # of employees on LTD and the avg. time remaining were provided by Blue Cross/Blue Shield, the administrator for the medical portion of LTD.

Medical inflation and the discount rate are assumed to be equal.

(4) Calculated as Follows:

1992 LT Disability Actually Paid X Avg Time Remaining

\$2,933,853 X 7 years = \$20,536,971

The 1992 disability actually paid and the avg. time remaining were provided by Prudential, the administrator of the salary portion of LTD.

Amount was then discounted at 8.5% resulting in a figure of \$16,293,408

(5) Total exposure for known claims based on internal review of files.

External actuarial calculation was performed, but is subject to change pending further review.

Discounted at 8 1/2% ( \$92,849,200-NYT, \$20,271,024-NET) (Estimate \$10.0M X .717 = \$7,170,000 all other subsidiaries)

(6) Employees who are currently receiving disability pensions must continue to be paid out of operating funds, however, may be accounted for under SFAS 112  
Future eligible employees will be covered under SFAS 87, and may be funded with pension fund assets if approved by the BOD. Medical costs are included in SFAS 106.

(7) Will not result in any SFAS 112 Cost since amount is already accrued for as part of the monthly group life insurance accrual.

(8) Currently only four employees have received this benefit, therefore, based on materiality exclude from SFAS 112 Costs. Will be monitored on a going forward basis.